weekly economic review

March 22, 2013

Population

Migration drives Alberta's robust population gain

Fuelled by strong interprovincial migration, Alberta led all provinces in population growth for the fifth straight quarter. Alberta's population grew by about 24,500 in the fourth quarter of 2012 to an estimated 3,931,341.

Lured by a healthy labour market, migrants accounted for the majority of the population growth. Alberta gained 11,533 net interprovincial and 6,296 net international migrants in the fourth quarter of 2012, continuing the trend of strong migration to the province.

When compared with the fourth quarter of 2011, Alberta's population surged by 3.0%, or 115,843 people, the strongest increase since 2006.

Alberta's year-over-year increase was the highest in Canada, followed by Saskatchewan at 2.0%. Canada's population grew by 1.1% over this period, an increase of 384,758 people.

Manufacturing Shipments

Manufacturing activity rebounds

Alberta manufacturing shipments jumped to their highest level in four months in January. Sales were up a strong 6.3% to $6.3 billion. The improvement was driven by higher petroleum & coal, chemical and machinery shipments.

Despite the monthly increase, manufacturing sales were unchanged from the same month last year, as increases in chemical and wood product shipments were offset by declines in petroleum & coal, fabricated metal and machinery shipments.

Nationally, manufacturing shipments were down 1.6% from a year ago with both durable and non-durable shipments falling.

Job Vacancies

Alberta job vacancy rate stays well above national average

Alberta's labour market remains relatively tight according to the latest data on job vacancies. Alberta's job vacancy rate, defined as the number of job openings as a share of labour required (employed individuals plus job openings), averaged 2.6% between October and December of last year. This is down from September's reading of 3.2%, but was the third-highest job vacancy rate in Canada, and well above the national average of 1.5%.

Between October and December, there were only 1.9 unemployed people for every job opening in Alberta, significantly below the national average of 5.7.

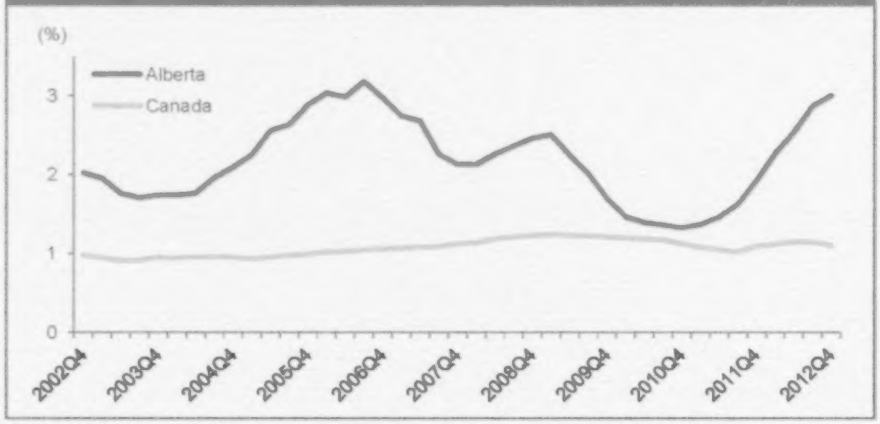
Retail Sales

Spending up in January

Alberta's retail sector has benefited from strong population growth. Retail sales jumped 1.3% in January following two straight monthly declines. On a year-over-year basis, sales increased by 2.9%, led by higher spending at motor vehicle dealers (+11.9%) and building material and garden equipment stores (+15.1%). A weak increase in gasoline station sales and declines at furniture and sporting-related stores tempered the year-over-year gain.

Canadian retail sales rose by 1.0%, fueled by higher sales from motor vehicle dealers. However, after removing the effects of price changes, national sales in volumes were unchanged. On a year-over-year basis, sales fell (-0.1%) for the second straight month.

Population Growth (year-over-year change)



Source: Statistics Canada

Closing Price	March 14, 2013	March 21, 2013	2012-13 Fiscal YTD
Canadian Dollar (US $/$CAN)	97.46	97.65	99.90
WTI Oil ($US/bbl)	$93.03	92.45	91.92
NYMEX Natural Gas($US/MMBtu)	$3.82	3.94	3.04

Alberta Economic Indicators

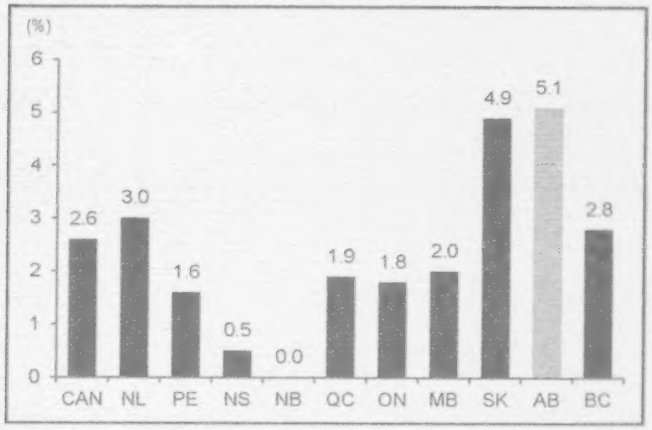
Population	2011	2012	2013YTD	Sep	Oct	Nov	Dec	Jan	Feb
NEW: Population (000's)	3,778	3,874	3,931	..	3,907	..	..	3,931	..
y/y % change	1.5	2.5	3.0	..	2.9	..	..	3.0	..
NEW: Net Interprovincial Migration[1]	8,443	28,170	25,448	..	13,915	..	..	11,533	..
NEW: Net International Migration[1]	16,703	37,990	17,105	..	10,809	..	..	6,296	..
NEW: Net Non-permanent Residents[1]	-7,604	9,721	2,813	..	3,946	..	..	1,133	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,177	2,156	2,162	2,170	2,165	2,175	2,179
y/y % change	3.8	2.7	2.2	1.8	1.8	1.9	1.5	1.9	2.5
Unemployment Rate (%), SA	5.5	4.6	4.5	4.4	4.4	4.2	4.5	4.5	4.5
Participation Rate (%), SA	73.7	73.4	72.9	73.1	73.1	73.0	72.9	72.9	72.9
Average Weekly Earnings ($), SA	1038.69	1073.09	..	1083.98	1095.42	1080.13	1093.58	..	..
y/y % change	4.6	3.3	..	3.9	4.0	2.9	4.2	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	0.5	1.4	0.6	0.6	0.0	-0.5	..
Excluding food and energy	0.8	1.3	0.8	1.1	1.2	0.9	1.1	0.8	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	..	3.5	..	..	3.0	..	..
Farm Product Price Index (y/y % change)	18.0	4.4	..	2.5	1.2	2.0	2.7	..	..
Crops	19.3	1.9	..	2.1	3.5	3.0	4.3	..	..
Livestock	16.7	6.7	..	3.5	0.9	1.3	1.4	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	31.3	33.4	33.7	39.8	30	29.3	33.3
y/y % change	-5.1	29.9	-7.8	34.2	-0.2	32.4	-5	11.9	4.3
New Housing Price Index[3] (y/y % change)	0.4	1.3	2.2	1.8	1.6	1.7	1.9	2.2	..
Edmonton	0.9	0.9	0.9	1.3	0.8	0.6	1.0	0.9	..
Calgary	-0.1	1.7	3.3	2.3	2.4	2.8	3.1	3.3	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	373.8	360.1	369.5	370.7	372.2	367.6	379.9
y/y % change	0.5	2.6	5.5	0.2	3.9	4.2	5.2	6.6	4.5
Edmonton ($ 000's)	324.2	332.7	340.3	318.7	336.8	343.0	345.9	337.6	343.0
y/y % change	-0.7	2.6	2.1	-4.4	2.0	5.3	4.4	1.6	2.5
Calgary ($ 000's)	401.9	410.8	430.5	413.4	421.4	419.3	436.0	422.5	438.4
y/y % change	1.1	2.2	9.1	0.9	3.5	3.1	8.3	12.4	6.1
NEW: Retail Sales, SA (y/y % change)	6.9	7.6	2.9	7.8	6.0	4.1	2.4	2.9	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	3.6	15.7	9.1	2.6	-0.7	3.6	..
Consumer Bankruptcies	7,029	5,759	..	421	489	420	346	..	..
y/y % change	-13.8	-17.3	..	-19.8	-5.0	-27.2	-28.4	..	..
Business Sector									
Rigs Drilling	286	250	395	229	236	258	287	368	422
y/y % change	30.4	-12.6	8.1	33.7	-29.6	-21.8	-16.6	-9.2	-8.1
Goods Exports, customs based (y/y % change)	18.9	2.4	..	-9.0	7.0	-3.2	-13.7	..	..
Energy	19.2	-2.9	..	-8.9	9.4	-1.9	-17.6	..	..
Farm, Fishing and Intermediate Food	27.2	20.4	..	25.2	26.2	6.3	20.0	..	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0 (YTD)	..	8.8	..	..	..	..	..
NEW: Manufacturing Shipments, SA (y/y % change)	18.0	5.3	0.0	0.8	1.2	-5.8	-6.6	0.0	..
Wholesale Trade, SA (y/y % change)	15.0	11.0	..	7.2	4.1	4.6	4.1	..	..
Building Permits, SA (y/y % change)	11.8	14.7	24.3	7.4	25	44.7	-5.4	24.3	..
Residential	5.2	17.7	20.4	10.2	14.5	23.3	2.2	20.4	..
Non-residential	20.9	11.0	30.9	3.4	42	78.4	-13	30.9	..
Business Bankruptcies	264	230.0	..	21.0	18.0	15.0	16.0	..	..
y/y % change	30.2	-12.9	..	-8.7	-40.0	-21.1	-11.1	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

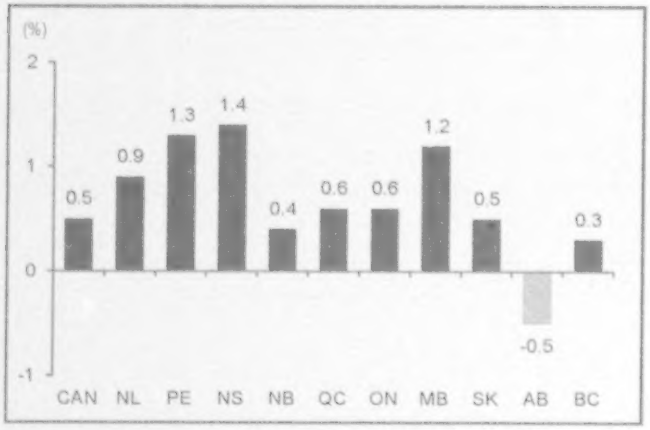
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

Economic Indicators by Province

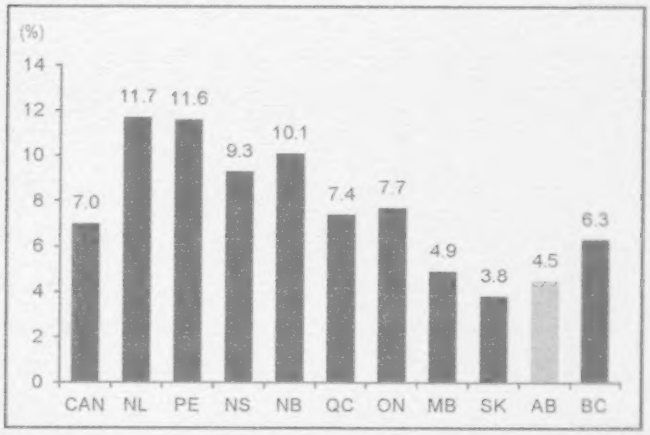
Real GDP Growth by Expenditure
(2011, year-over-year growth)



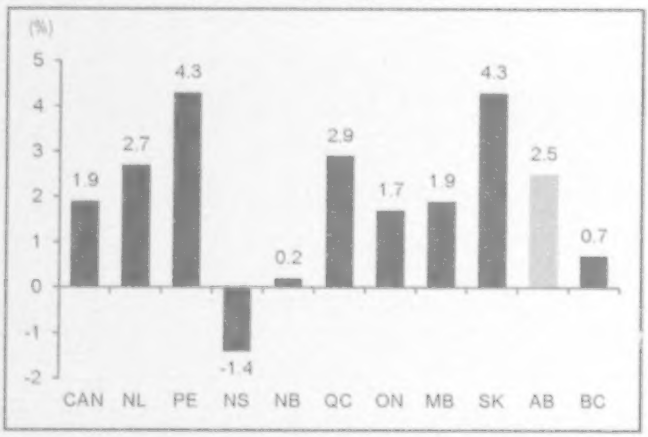
CPI Inflation
(January 2013, year-over-year growth in CPI)



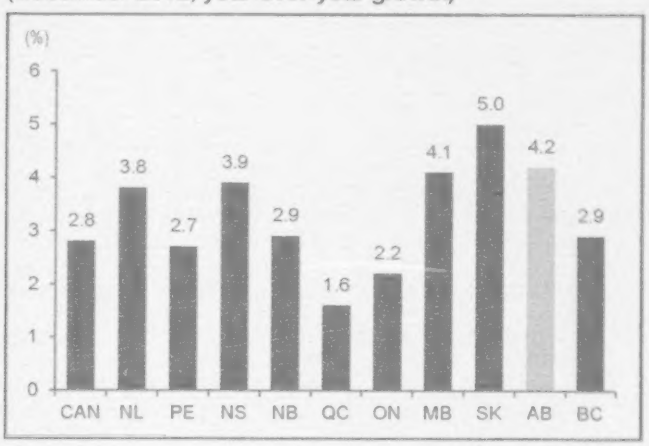
Unemployment Rate
(February 2013)



Employment
(February 2013, year-over-year growth)



Average Weekly Earnings
(December 2012, year-over-year growth)



Housing Starts
(February 2013, SAAR, year-over-year growth)